

Exhibit O

61-56978
EAF/dlr

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF LOUISIANA

IN RE: OIL SPILL by the OIL RIG
"DEEPWATER HORIZON" in the
GULF OF MEXICO, on
APRIL 20, 2010

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MDL NO. 2179

SECTION: J

JUDGE BARBIER

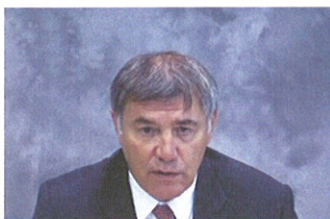
MAG. JUDGE SHUSHAN

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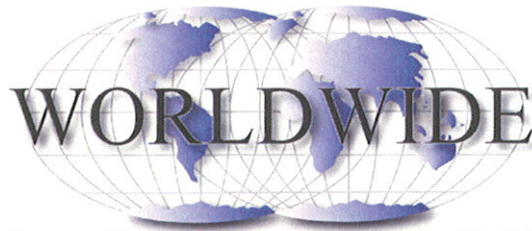


John Mogford

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1 you. I have it --

2 MR. LEGER: And I will confirm that I
3 heard the DOJ attorney grant that allocation.

4 MR. FOWKES: I -- I'm not saying that she
5 didn't. I'm just -- my -- my point is I think that
6 should be on the record, and that should be done before
7 the DOJ starts its questioning, before a party starts
8 its questioning.

9 MS. HOUSE: Well, thank you.

10 MR. FOWKES: All right.

11 Q. (By Ms. House) All right. Now, Mr. Baxter and
12 you have testified that the mobile operating drilling
13 units, sometimes called MODUs, and -- which would
14 include the DEEPWATER HORIZON, that they were never
15 part of OMS and didn't have to follow the Integrity
16 Management standards or the Management of Risk
17 Assessments; is that correct?

18 (Discussion off the record.)

19 A. What I -- what I've said is that the OMS was
20 designed to cover BP operated and own -- owned
21 activities. Parts of OMS certainly frame the
22 management -- the -- the management of risk and
23 activity, but lots of the tools in OMS do not apply to
24 MODUs.

25 Q. (By Ms. House) Okay. Who decided that that

1 was an acceptable approach to MODU Safety?

2 A. I think that we decided it, when we considered
3 the -- the reality of how we could apply the tools
4 to -- to Operations. We could not manage maintenance
5 on MODUs, we could not hire and fire people on MODUs,
6 we couldn't compensate people for not delivering their
7 tasks on MODUs, we don't maintain the records on our
8 MODUs, nor can we on things that are carried out.

9 And so the scope, it was a conscious decision
10 as to what the scope was. I don't believe -- believe
11 there was a conscious conversation about MODUs in it,
12 but it was a conversation of what can we apply this to
13 and what should we apply this to.

14 Q. And this conversation that you're referencing,
15 when did it occur and who was involved?

16 A. I think it was as we formulated our thoughts
17 on OMS. There was a conversation with -- I don't think
18 it was a -- a -- eventually, the GORC signed off on it,
19 but it was a conversation between the segment
20 representatives and myself, John Baxter, and, actually,
21 where -- where is the scope of this.

22 Q. And when you say "the segment
23 representatives," could you be more clear?

24 A. It'd be -- I think at the time it was Ellis
25 Armstrong and Sue Rataj or --

1 Q. Who did they -- who were they the segments
2 representatives of?

3 A. They were -- one from Exploration &
4 Production, one from Refining and Marketing who talked
5 to their organizations to ensure that it was practical.
6 But we -- the scope was -- we -- for instance, we had
7 long conversations in refining and marketing about the
8 applicability to gas stations, you know, do you need a
9 management system on a gas station.

10 Q. M-h'm.

11 A. And we -- so -- so their segments went away
12 and came back with a considered view of what we could
13 do. But from -- from the start, OMS was designed for
14 BP owned and operated and controlled sites.

15 Q. And did you -- these -- the particular
16 conversation that would have to do with Exploration &
17 Production, that segment would be the one in which the
18 MODUs related to deepwater rigs. That would --

19 A. Correct.

20 Q. -- cover that, correct?

21 A. Correct.

22 Q. And that person was again?

23 A. Refine -- Refining and Marketing do not have
24 any MODUs.

25 Q. Right.

1 A. So -- so I -- I believe it was Ellis
2 Armstrong, but I -- I may be slightly wrong. But Ellis
3 was in -- in that role at the time.

4 Q. And these conversations, were they in formal
5 meetings? Were -- how did they take place?

6 A. We had a OMS Steering Workgroups which were
7 lead by John Sieg, who worked for me, and John worked
8 with the -- with the segments, and then the segments
9 talked to the VPs, and then we talked about it at the
10 Fun -- as we called it, the Functional Steering Group.

11 Q. And you, obviously, have a clear memory of the
12 gas station discussions. Do you have any specific
13 memory of discussing coverage of the MODUs?

14 A. No, no. Just a conversation that we cannot
15 implement this on sites that we don't operate.

16 Q. M-h'm. And you said that it was relayed to
17 the GORC Committee. How was it relayed?

18 A. Through the OMS document, it was approved, and
19 the scope was approved at the -- at -- at the GORC.

20 Q. And was there explicit discussion with the
21 GORC that third party contractors were not going to be
22 covered?

23 A. No, but there was a discussion that the scope
24 was that it applied to BP owned and operated and
25 controlled sites.

1 Q. M-h'm. And would that -- would that be
2 documented in Minutes?

3 A. It would be documented, I believe, that the
4 OMS was endorsed for roll-out. It was within the OMS
5 document.

6 Q. But other than the endorsement of the OMS and
7 what it specifically cover -- covered, you don't have
8 any memory of discussing specifically --

9 A. No. Because there were --

10 Q. -- what wasn't covered?

11 A. There were -- it was -- there were three-tier
12 conversations or detailed conversations within the
13 segments, then the OMS Steering Group, and then through
14 to the segment Chief Executives with their own
15 representatives, and then at the GORC, which was final
16 endorsement or challenge, if people didn't agree with
17 it.

18 Q. Okay. Now, you understand that if BP is
19 relying on its drilling contractors' safety processes,
20 that BP is still accountival -- accountable for
21 meaningful verification of the strength and quality of
22 those processes to BP's own standards, correct?

23 A. That is -- I -- I don't think I've said that,
24 and I would use slightly different words. But I think
25 that the operator does have to verify appropriately the

1 Safety Management systems of drilling contractors and
2 provide -- and make sure there are effective bridges in
3 place.

4 Q. And that's a critical BP fallback, correct?
5 That's a -- that's a part of the Process Safety system,
6 that you have meaningful verification of those third
7 party contractors' safety processes?

8 A. Yeah -- verify -- verify that they are in
9 place, but cannot en -- ensure that they are complied
10 with.

11 Q. But you have to verify they're in place, and
12 you have to verify that they're robust, correct?

13 A. Correct.

14 Q. Could you please go back to -- I -- I believe
15 it was marked Tab 4 by the Government yesterday. I'll
16 show you the document again, and that was Exhibit 278.

17 A. Yeah.

18 Q. Here, I can give you one with a -- that's
19 stapled, if you prefer.

20 MR. FOWKES: Thank you.

21 Q. (By Ms. House) And if you look at -- this was
22 the document, just to clear up the record, this was
23 Exhibit 278, the March 2001 document called "getting
24 HSE right" --

25 MS. HOUSE: Can you pass that to him?

1 Q. (By Ms. House) -- "a guide for BP managers."
2 And if you look on Page 6 of that document, you can
3 confirm that you've signed -- that's your signature
4 there?

5 A. That is my signature there.

6 Q. So this was document, right?

7 A. I'm on a lot of papers, aren't I?

8 Q. So -- so this was your document, correct?

9 MR. FOWKES: Object to the form.

10 A. I -- I approved it. It was issued under the
11 Chief Executives' Authority.

12 Q. (By Ms. House) Okay. And if you could turn to
13 Page 13. It's titled: "Element 4: Working with
14 Contractors and Others." And it reads, starting at the
15 top: "Contractors, suppliers and others are key to our
16 Group business performance and we will assess their
17 capabilities and competencies to perform work on our
18 behalf. We will work together with them to ensure our
19 HSE Expectations are aligned."

20 And "HSE" is what again?

21 A. Health, Safety, and Environment.

22 Q. And then there are a variety of "Expectations"
23 that are listed below, correct?

24 A. Correct.

25 Q. And 4.1, at the end of it, it references

1 "...including a system for assuring their compliance."

2 Do you see that?

3 A. That's correct, m-h'm.

4 Q. And so BP was to make sure there was a system
5 for assuring compliance, correct?

6 A. Yes, when this policy was in place, yeah.

7 Q. Okay. And then 4.2, references: "Hazards and
8 risks associated with contractor and procurement
9 activities in our businesses are identified, managed
10 and communicated."

11 And that was a requirement of BP, correct?

12 MR. FOWKES: Objection, form.

13 A. It was stated in the policy, in an
14 "Expectation," yes.

15 Q. (By Ms. House) And 4.4 reads: "Clear
16 deliverables and performance standards are agreed to
17 and systems are put in place to assure HSE and
18 technical compliance."

19 And that was also a requirement, correct?

20 A. Correct.

21 Q. Could you turn to what was marked in
22 Halliburton's questioning of you yesterday. I believe
23 it was 6274. And ex -- exhibit -- pardon me. Sorry.
24 Frog in my throat.

25 Exhibit 6274 are -- is the cover sheet from

1 I further certify that I am neither counsel for,
2 related to, nor employed by any of the parties in the
3 action in which this proceeding was taken, and
4 further that I am not financially or otherwise
5 interested in the outcome of the action.

6 SUBSCRIBED AND SWORN to by me on this 29th day of
7 June, 2011.

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